



Voluntary Report - public distribution

Date: 12/29/2000

GAIN Report #ES0009

El Salvador

Market Development Reports

PMA SHOW

2000

Approved by:

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Report Highlights:

Produce imports to the Central American region continue to grow at a rapid pace. Apples and grapes are the main products imported into the region. Importers are constantly looking for new products to test the markets and increase their distribution lines. U.S. produce is viewed as of higher quality. The PMA show is conceived as a perfect opportunity to learn about new products, technology, and to establish new contacts with U.S. suppliers.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Guatemala [GT1], ES

SUMMARY

The 2000 PMA International Convention and Exposition was conceived and seen by participants from El Salvador, Honduras and Guatemala as a great opportunity to learn about new products, new technology, and especially to establish valuable contacts with U.S. suppliers of produce.

FAS/San Salvador Marketing Assistant, Ana Elizabeth de Iglesias attended the 2000 PMA show representing Guatemala, Honduras and El Salvador. Mrs. Iglesias was accompanied by five businessmen from the region.

U.S. suppliers are advised that for successful new-to-market product penetration in the region, it is important to promote using product sampling in retail outlets. This way, consumers recognize U.S. product quality, which in turn increases demand. To improve the quality of products they already supply to the local market, importers were very interested in finding suppliers of Infra red thermometers, product ripening chemicals, display material for supermarkets, fruit and vegetables sorters and training material. In the long run better handling techniques will benefit the export of U.S. produce because quality and appearance will be preserved.

The latest in produce handling equipment was also of significant interest to the participants, since this is one of the areas that need the most attention in the Central America region. Most perishable products are inappropriately handled by retail outlets (i.e. supermarkets, hypermarkets, traditional markets) causing loss of product quality. This situation creates a negative reception of fruits and vegetables by local consumers. The staff responsible for produce handling at these outlets are poorly trained. Additionally, delivery trucks with produce have to wait in the hot sun to unload their product at the market. Thus, to correct these problems more and more retailers visiting the PMA are looking for training material as well as equipment that would help them reduce product damage.

Central American participants were also very interested in finding suppliers of pears, kiwis, strawberries, apples and grapes. At PMA FAS, San Salvador assisted in a contract for two containers of apples valued at approximately \$40,000 ordered as a result of business contacts established at PMA. Our buyers were also looking for exotic fruit and vegetables to test the Honduran market. Furthermore, our buyers visiting PMA expressed interest in purchasing pallet size orders to assess customer acceptance and market potential. In the past, products like cherries have been gradually introduced to the market in the same manner, and have quickly gained customer acceptance.

OPPORTUNITIES

A supermarket manager that visited the show expressed his interest in purchasing product sorting machinery. This type of machinery is important because it helps retailers sort perishables by product ripening. Most retail outlets in the region tend to display produce without doing a proper distinction of the ripening process. As a result, many times customers find many rotten fruit and vegetables when selecting their fresh produce. U.S. fruit and vegetables are not immune to this process and sales are definitely affected by retailers not doing a good job in the display of products at the point of sale.

RECOMMENDATIONS

- To increase participation in future shows, we recommend that PMA send brochures at least 3 months in advance. By doing so FAS field office can reach a wider audience, therefore increasing attendance to this show. As recommended for the Miami Food and Beverage Show, a single complete mailing is preferable.
- With the help of the Embassy's Public Affairs Office we will advertise the event in local newspapers in order to have a successful promotion. Agx Division is advised that advertising costs will be requested in 2001 post UES.
- Although the PMA has proven to be a successful event, its costs to international buyers in small markets such as El Salvador and Honduras are relatively high. FAS/Washington and PMA might consider separating the fees for the workshops and the food show, thus allowing potential participants to chose a plan fitting their budget. Nonetheless, we will continue to advise our contacts that attending trade shows is a sure way of expanding their business.

ACTIVITY NAME	AMP No. ACTIVITY	COST ACTIVITY
PMA Show	049000	\$ 490.00